

**STATE LOTTERY DEPARTMENT  
POWER PLAY**

**REPORT ON APPLYING AGREED-UPON PROCEDURES  
FOR THE PERIOD  
APRIL 1, 2011 THROUGH MARCH 31, 2012**





# Commonwealth of Virginia

## *Auditor of Public Accounts*

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Auditor of Public Accounts

P.O. Box 1295  
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June 22, 2012

Members of the Virginia State Lottery Board  
900 East Main Street  
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### Independent Auditor's Report on Applying Agreed-Upon Procedures

We have performed the procedures enumerated below, which were agreed to by the Virginia Lottery Department and the other member lotteries in the states of Georgia, Illinois, Maryland, Massachusetts, Michigan, New Jersey, New York, Ohio, Texas, and Washington (referred to as the "Member Lotteries"), which operate Power Play, solely to assist the Virginia Lottery and Member Lotteries with respect to the evaluation of the following financial information associated with Power Play: Virginia Lottery's sales and prize expense for the period April 1, 2011 through March 31, 2012, and the Virginia Lottery's receivable or payable as of March 31, 2012. This engagement to apply agreed-upon procedures was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the Virginia Lottery and Member Lotteries. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The agreed-upon procedures that we performed and our findings are as follows:

- A. We obtained from the Virginia Lottery the "Draw Activity" and the "Fixed Prize Analysis" reports for the period April 1, 2011 through March 31, 2012 and attached those as Exhibits I and II, respectively. We verified the mathematical accuracy of the schedules.
- B. We randomly selected the following five Power Play draw dates from the period April 1, 2011 through March 31, 2012:
  - April 6, 2011
  - July 30, 2011
  - August 17, 2011
  - November 12, 2011
  - January 4, 2012
- C. For each Power Play draw date selected in step "B" above, we compared the total amount of sales as shown on the daily sales report produced by the Virginia Lottery's gaming system and the total amount of sales shown on the related daily sales report produced by the Internal Control System (ICS) with the balance listed in the "sales" column for the respective draw date on the "Draw Activity" report attached as Exhibit I and found them to be in agreement.

- D. We calculated the total dollar amount of the fixed prizes for the draw dates selected in step “B” above, based on the total number of winners from the Virginia Lottery’s gaming system for each prize level and the prize structure of the Power Play fixed prizes (as defined in the official game rules). We compared the calculated expense with the amount listed in the “Actual Fixed Prizes” column for the respective draw date on the “Draw Activity” report attached as Exhibit I and found them to be in agreement.
- E. For each draw date selected in step “B” above, we compared the amount of sales, actual fixed prizes, and share of fixed prizes shown on the “Draw Activity” report attached as Exhibit I to the amounts shown on the applicable Power Play Settlement Reports and found them to be in agreement.
- F. For the period identified, we randomly selected two months and obtained the “Expired Prize Settlement Report” distributed by the Virginia Lottery. For the two months selected, we obtained from the Virginia Lottery’s ICS the actual fixed prizes awarded and the prizes unclaimed. We compared the ICS data back to the data reported from the Virginia Lottery for each draw of the subject months and found them to be in agreement.
- G. We compared the amounts shown as the total of the actual fixed prizes and the total of the shared fixed prizes on the “Draw Activity” report attached as Exhibit I to the applicable amounts shown on the “Fixed Prize Analysis” report attached as Exhibit II and found them to be in agreement.
- H. We compared the total of the quarterly transfers to/from the Virginia Lottery for settlement of the shared prize liability as shown in the Virginia Lottery’s cash disbursement subsidiary records to the amount listed in the “Qtrly/Yrly Settlements Transfers In/(Out)” column on the “Fixed Prize Analysis” report attached as Exhibit II and found them to be in agreement.
- I. We compared the balance listed as the Virginia Lottery’s payable/receivable as of March 31, 2012 for the fixed prizes as shown on the “Fixed Prize Analysis” report attached as Exhibit II to the Virginia Lottery’s financial accounting records and to the Power Play Prize Settlement Report as of March 31, 2012 and found them to be in agreement.

We were not engaged to, and did not perform an audit or an examination, the objective of which would be the expression of an opinion on the specified financial information associated with Power Play. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Virginia Lottery and Member Lotteries as specified above and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

AUDITOR OF PUBLIC ACCOUNTS

AVG/alh

POWER PLAY  
VIRGINIA LOTTERY DEPARTMENT  
VIRGINIA DRAW ACTIVITY  
From April 1, 2011 through March 31, 2012

Exhibit I

<u>Draw Date</u>	<u>Sales</u>	<u>Actual Fixed Prizes</u>	<u>Share of Fixed Prizes</u>
4/2/2011	\$143,297	\$ 16,392	\$ 19,213
4/6/2011	143,297	17,048	25,160
4/9/2011	83,494	30,105	32,922
4/13/2011	74,047	17,126	19,215
4/16/2011	83,312	42,380	46,643
4/20/2011	81,813	60,768	24,874
4/23/2011	91,661	21,638	23,349
4/27/2011	67,065	9,036	8,724
4/30/2011	77,404	10,293	77,223
5/4/2011	70,801	26,526	93,715
5/7/2011	82,231	58,932	97,108
5/11/2011	80,178	19,886	18,549
5/14/2011	93,183	10,983	75,809
5/18/2011	92,777	34,371	36,011
5/21/2011	108,029	23,328	27,610
5/25/2011	105,425	12,636	15,634
5/28/2011	121,655	47,004	49,242
6/1/2011	139,559	50,424	53,729
6/4/2011	79,066	37,544	37,700
6/8/2011	70,688	34,048	32,140
6/11/2011	72,866	19,144	21,555
6/15/2011	68,330	22,230	28,662
6/18/2011	76,777	19,996	75,260
6/22/2011	71,604	26,871	28,522
6/25/2011	80,578	29,820	35,753
6/29/2011	75,487	16,916	17,780
7/2/2011	73,090	17,284	23,517
7/6/2011	63,392	17,774	8,538
7/9/2011	74,370	22,800	28,434
7/13/2011	71,411	58,746	97,267
7/16/2011	87,385	20,308	22,742
7/20/2011	77,993	29,568	30,653
7/23/2011	90,985	22,764	22,794
7/27/2011	96,639	10,242	11,012
7/30/2011	110,686	13,786	13,600
8/3/2011	115,119	24,454	18,607
8/6/2011	128,701	49,456	32,694
8/10/2011	159,234	52,275	61,631
8/13/2011	77,777	19,027	11,133
8/17/2011	70,487	22,920	24,730
8/20/2011	79,904	8,939	9,469
8/24/2011	74,445	34,852	42,316

POWER PLAY  
VIRGINIA LOTTERY DEPARTMENT  
VIRGINIA DRAW ACTIVITY  
From April 1, 2011 through March 31, 2012

Exhibit I

<u>Draw Date</u>	<u>Sales</u>	<u>Actual Fixed Prizes</u>	<u>Share of Fixed Prizes</u>
8/27/2011	74,706	17,646	19,062
8/31/2011	78,188	36,560	35,920
9/3/2011	101,169	44,488	110,172
9/7/2011	96,918	71,121	105,807
9/10/2011	74,787	29,136	28,699
9/14/2011	65,994	15,550	16,012
9/17/2011	71,146	9,503	9,208
9/21/2011	64,203	25,368	31,729
9/24/2011	72,591	40,344	41,874
9/28/2011	66,610	7,960	8,906
10/1/2011	81,559	20,596	22,775
10/5/2011	76,615	29,979	27,839
10/8/2011	88,458	841,396	112,244
10/12/2011	84,954	41,548	24,107
10/15/2011	107,048	38,037	38,588
10/19/2011	105,665	48,616	115,047
10/22/2011	120,382	47,526	56,541
10/26/2011	125,980	29,396	32,888
10/29/2011	157,607	70,820	78,044
11/2/2011	226,848	77,109	87,434
11/5/2011	80,935	18,784	18,761
11/9/2011	73,443	17,786	18,436
11/12/2011	84,412	39,464	40,541
11/16/2011	79,452	9,982	10,654
11/19/2011	86,735	84,518	93,657
11/23/2011	71,181	8,951	74,391
11/26/2011	70,085	17,503	9,289
11/30/2011	69,513	7,328	11,461
12/3/2011	81,218	20,862	20,879
12/7/2011	72,744	7,464	7,902
12/10/2011	84,681	41,736	108,481
12/14/2011	81,407	37,728	41,587
12/17/2011	95,384	27,978	37,384
12/21/2011	96,699	47,492	62,147
12/24/2011	120,974	14,437	16,138
12/28/2011	64,021	7,308	71,595
12/31/2011	85,040	60,000	105,154
1/4/2012	64,952	21,516	23,992
1/7/2012	76,680	37,688	106,368
1/11/2012	69,896	9,303	10,344
1/14/2012	82,922	35,400	39,571
1/18/2012	59,455	13,848	16,869

POWER PLAY  
VIRGINIA LOTTERY DEPARTMENT  
VIRGINIA DRAW ACTIVITY  
From April 1, 2011 through March 31, 2012

Exhibit I

<u>Draw Date</u>	<u>Sales</u>	<u>Actual Fixed Prizes</u>	<u>Share of Fixed Prizes</u>
1/21/2012	67,136	19,550	21,053
1/25/2012	64,170	18,238	19,747
1/28/2012	75,546	20,024	20,729
2/1/2012	82,053	23,214	27,589
2/4/2012	104,190	29,560	32,754
2/8/2012	118,449	59,065	39,163
2/11/2012	189,218	82,890	60,336
2/15/2012	54,325	14,965	20,829
2/18/2012	63,193	17,405	16,619
2/22/2012	55,459	12,632	15,112
2/25/2012	63,205	19,136	18,062
2/29/2012	50,535	14,006	18,200
3/3/2012	59,363	16,768	18,937
3/7/2012	52,066	13,445	13,496
3/10/2012	55,655	15,983	18,185
3/14/2012	49,540	12,040	12,671
3/17/2012	56,779	14,332	16,310
3/21/2012	52,841	12,643	17,424
3/24/2012	54,257	14,315	14,696
3/28/2012	51,132	12,486	15,128
3/31/2012	62,577	15,588	18,212
Total	<u>\$8,961,188</u>	<u>\$3,728,700</u>	<u>\$3,884,988</u>

Members of the Virginia State Lottery Board  
June 22, 2012

POWER PLAY  
VIRGINIA LOTTERY DEPARTMENT  
FIXED PRIZE ANALYSIS  
From April 1, 2011 through March 31, 2012

Exhibit II

<u>State</u>	<u>Actual Fixed Prizes</u>	<u>Share of Fixed Prizes</u>	<u>Qtrly/Yrly Settlements Transfers In (Out)</u>	<u>Receivable (Payable)</u>
Georgia	3,605,730	2,577,458	7,652	1,271,448
Illinois	5,179,848	4,854,191	107,087	(102,603)
Massachusetts	1,812,053	2,468,388	31,951	(421,897)
Maryland	2,336,332	2,210,978	(722,429)	343,568
Michigan	2,722,722	3,712,160	(342,315)	(663,780)
New Jersey	5,048,362	5,619,128	(842,638)	(158,540)
New York	6,743,901	5,907,748	1,645,136	(250,195)
Ohio	6,359,816	5,427,092	162,195	519,761
POWER PLAY				
Texas	11,045,832	11,576,613	(274,629)	(470,008)
Virginia	3,728,700	3,884,988	593,488	150,369
Washington State	<u>951,593</u>	<u>1,296,145</u>	(365,498)	(218,123)
Total	<u>\$49,534,889</u>	<u>\$49,534,889</u>		